

The Ethiopia Summit

Driving continued growth

October 28th and 29th 2015 · Addis Ababa

INTRODUCTION

With a population of around 94 million, a government aspiring to reach middle income status within the next decade and real GDP growth forecast to average 7% a year in 2015 - 2019*, Ethiopia offers enormous growth and investment potential across all sectors. Foreign direct investment reached almost US\$1bn in 2013/2014, adding further fuel and momentum to what is now one of the continent's fastest growing economies.

In 2010, the government set out its ambitious five year Growth and Transformation Plan (GTP) in a bid to foster broad-based development in a sustainable manner. It subsequently saw agricultural exports grow by 9% in the first three quarters of 2013/2014 and the manufacturing sector grow by 11.4% in the same period.

With the federal elections having taken place in May 2015 and GTP 2 due to be endorsed in September, The Ethiopia Summit will be taking place at an optimum time. By bringing together the country's leading policy makers and business leaders with international executives active or interested in expanding in Ethiopia, opportunities will be explored and challenges tackled. Despite solid economic growth, what more can be done to help the country achieve its full potential? How can the sizeable market potential and abundant natural resources be fully utilised? What more can the government do to liberalise and encourage investment in key areas?

*Source: The Economist Intelligence Unit (EIU)

CHAired BY:

Xan Smiley, *Editor at large, The Economist*

Pat Thaker, *Regional Director, Middle East and Africa, Economist Intelligence Unit*

Mary Harper, *Africa Editor, BBC World Service*

AGENDA – Wednesday, October 28th 2015

08:00 REGISTRATION AND REFRESHMENTS

08:55 **WELCOME AND INTRODUCTION**

Xan Smiley, *Editor at large, The Economist*

09:00 **OPENING ADDRESS**

Chaired by: Pat Thaker, *Regional Director, Middle East and Africa, Economist Intelligence Unit*

HE Hailemariam Desalegn, *Prime Minister, Federal Democratic Republic of Ethiopia*

09:20 **KEYNOTE PRESENTATION: An overview of the second Growth and Transformation Plan**

Chaired by: Pat Thaker, *Regional Director, Middle East and Africa, Economist Intelligence Unit*

HE Dr Arkebe Oqubay, *Minister and Senior Advisor to the Prime Minister, Federal Democratic Republic of Ethiopia*

09:50 **IN CONVERSATION: Ethiopia's economic horizons – Future prospects for growth**

Ethiopia has a very strong growth record. GDP growth has averaged 10% a year over the past decade, while GDP per head (on a purchasing power parity basis) has risen by almost 150% over the same period. Whilst future growth prospects are also positive, there are downside risks that have come to the fore.

In this session, panellists will discuss Ethiopia's future growth prospects. Is the state-led development model sustainable? What are the challenges currently faced by the private sector? Will and should the government move towards a more market-oriented economic policy? Can the country avoid the pitfalls of other countries that have taken the same path?

Chaired by: Pat Thaker, *Regional Director, Middle East and Africa, Economist Intelligence Unit*

Confirmed Panellist:

H.E. Dr Abraham Tekeste Meskel, *State Minister, Ministry of Finance and Economic Development, Federal Democratic Republic of Ethiopia*

Tewelde GebreMariam, *Chief Executive Officer, Ethiopian Airlines*

Goolam Ballim, *Chief Economist and Global Head of Research, Standard Bank Group*

Haddis Tadesse, *Country Representative, Ethiopia and Representative to the African Union, Bill & Melinda Gates Foundation*

10:35 NETWORKING AND REFRESHMENTS

11:00 **A ONE-ON-ONE CONVERSATION: Investment opportunities in one of Africa's top performing economies**

In this one-on-one conversation, attendees will have the opportunity to hear about the opportunities on offer to foreign and domestic investors. From horticulture to industrial zone development, the conversation will highlight success stories to date and highlight newly available investment prospects. There will also be an opportunity for attendees to ask questions and find out how to overcome any foreseen potential challenges.

Chaired by: Pat Thaker, *Regional Director, Middle East and Africa, Economist Intelligence Unit*

Confirmed Speaker:

Fitsum Arega, *Director General, Ethiopian Investment Commission (EIC)*

11:20 **PANEL DISCUSSION: Financing Ethiopia's ambitious plans**

The banking sector in Ethiopia is closed to outside investment and many believe that liberalising this sector would lead to increased competition and subsequently increased growth. The private sector currently struggles to raise loans which has played a part in the rise of private equity groups taking advantage of the gaps and moving to fill them.

In this session, a panel of experts will analyse the sector in Ethiopia and discuss the challenges posed by the fact that it is closed to foreign players. They will discuss the implications for the economy as a whole as well as evaluate what changes would be seen should the sector be opened up. As part of this discussion, the panellists will also evaluate the opportunities that exist for private equity firms looking to enter the Ethiopian market drawing on the expertise of those who already have.

Chaired by: Pat Thaker, *Regional Director, Middle East and Africa, Economist Intelligence Unit*

Confirmed Panellist:

Matthew Davis, *Founder and Partner, RENEW LLC*

Ashish Patel, *Managing Director, The Abraaj Group*

Helaway Tadesse, *Senior Vice President and Chair of Management Credit Committee, Zemen Bank*

Sergei Stankovski, *Managing Director, Goldman Sachs*

12:10 **REGIONAL INSIGHTS: Ethiopia and the wider region – Growth through collaboration**

Ethiopia, although already a member of the Common Market for Eastern and Southern Africa (COMESA), has yet to fully join the alliance's Free Trade Area. There is also the possibility that the country may join the World Trade Organization in 2015. In this panel, international investors will join local and regional business leaders to discuss the implications for their own organisations as well as the wider Ethiopian economy.

Chaired by: Xan Smiley, *Editor at large, The Economist*

Confirmed Panellists:

Sindiso Ngwenya, *Secretary-General, Common Market for Eastern and Southern Africa (COMESA)*

Gabriel Negatu, *Regional Director for Eastern Africa, African Development Bank*

12:40 NETWORKING AND LUNCH

13:40 **HARD TALK: Back to basics – doing business in Ethiopia**

In this one-on-one interview, the Summit Chairman will talk to an entrepreneur who has built a business from scratch and now exports their product across the globe. The Chairman will probe into the challenges that this entrepreneur has faced and how he has overcome these challenges to get to the stage where his business is at today. This interview will provide some interesting insights, a benchmark, and a series of lessons learnt for others who may be interested in following suit and establishing a business in the country.

Chaired by: Xan Smiley, *Editor at large, The Economist*

Confirmed Speaker:

Hailu Tessema, *Founder, Mama Fresh*

ENERGY IN FOCUS

14:00 **IN CONVERSATION: The prospects for oil and gas in Ethiopia**

Oil and gas exploration in Ethiopia began in the 1970s and there are now a number of international as well as independent operators exploring and drilling within the country. In this session we will hear from a senior representative at one of these operators on the prospects for oil and gas exploration and production in Ethiopia. Attendees will hear about current operations that are underway, the results seen to date and the hopes for the next phase of exploration.

Chaired by: Mary Harper, *Africa Editor, BBC World Service*

Confirmed Speaker:

Tewodros Ashenafi, *Founder, Chairman and Chief Executive Officer, SouthWest Energy*

14:20 **ENERGY: A realm of possibilities**

Domestic demand for power in Ethiopia is expected to grow by more than 25 percent per year. In the second half of 2013, the government opened up electricity generation for the first time to

private investors and as part of its GTP, has plans to generate 10,000 megawatts of electricity from various sources and become one of the region's biggest energy exporters.

In this panel discussion, industry experts, policy makers and representatives from IFIs will discuss the opportunities and challenges that lie within Ethiopia's energy sector. They will review the policy framework surrounding the sector, discuss the opportunities that exist within the renewables sector and evaluate the progress that has been made to date under the GTP.

Chaired by: Mary Harper, *Africa Editor*, **BBC World Service**

Confirmed Speaker:

Guðmundur Thoroddsson, *Chief Executive Officer*, **Reykjavik Geothermal**

Shilesh Muralidhara, *Senior Developer*, **Black Rhino Group**

15:10 NETWORKING AND REFRESHMENTS

15:40 **PANEL DISCUSSION: The telecoms sector – can you play a part?**

In the eyes of many, Ethiopia has one of the world's last big untouched telecoms markets. Ethio Telecom currently holds the monopoly on all telecom services including fixed, mobile, internet and data communication.

In this session, we ask the panel of experts to evaluate the telecoms sector in Ethiopia and discuss potential opportunities that may exist for those looking to play a part in it. Will the telecoms sector in its current state be able to meet the enormous growth potential? Is there any room for international players in the sector?

Chaired by: Mary Harper, *Africa Editor*, **BBC World Service**

Confirmed keynote interview with:

Andualem Admassie Abate, *Chief Executive Officer*, **Ethio Telecom**

Rafiah Ibrahim, *President and Head of Region Middle East and North East Africa*, **Ericsson**

16:30 **PANEL DISCUSSION: Innovation - Key to socio- economic development**

This session will uncover the latest innovations and question what they might do for Ethiopian society and how they may contribute to socio-economic development.

How can a culture of entrepreneurship be fostered and cultivated further? Where is innovation coming from? What impact are global disruptive technologies having in Ethiopia? What further incentives can the government introduce to increase research and development in innovation? What does innovation in Ethiopia look like and will it meet national needs? How can the public and private sectors collaborate to innovate?

Chaired by: Mary Harper, *Africa Editor*, **BBC World Service**

Confirmed Panellist:

Munir Duri, *Chief Executive Officer*, **Kifiya**

Samuel Alemayehu, *Managing Director*, **Cambridge Industries**

Amrote Abdella, *Regional Director*, **Microsoft 4Afrika**

17:20 **PANEL DISCUSSION: Building on Ethiopia's agricultural roots**

The Growth and Transformation Plan was established by the government as a strategic framework for the agricultural sector. It outlined a number of aims including the improved participation and engagement of the private sector and to earn \$6.58 billion a year from agriculture exports in 2015.

In this discussion, panellists will discuss the progress that has been made towards achieving the goals set out, the challenges that have been faced and how these have been or can be overcome as well as the opportunities that are available for potential investors.

Chaired by: Xan Smiley, *Editor at large, The Economist*

Confirmed Panellists:

Khalid Bomba, *Chief Executive Officer, Ethiopian Agricultural Transformation Agency*

Zelalem Messele, *President, The Ethiopian Horticulture Producers Association and Managing Director, ZK Flowers PLC*

Jimmy Smith, *Director General, International Livestock Research Institute (ILRI)*

18:00 **CLOSING REMARKS**

18:00 **NETWORKING RECEPTION**

AGENDA – Thursday, October 29th 2015

08:00 REGISTRATION AND REFRESHMENTS

09:00 **WELCOME**

Xan Smiley, *Editor at large, The Economist*

09:10 **OPENING ADDRESS: Ethiopia – An awakening giant**

Chaired by: Xan Smiley, *Editor at large, The Economist*

Senior Government Representative, Federal Democratic Republic of Ethiopia

09:30 **THE AMBASSADORS' PANEL**

Chaired by: Xan Smiley, *Editor at large, The Economist*

Confirmed Panellists:

Greg Dorey, **British Ambassador to Ethiopia and British Permanent Representative to the African Union and UN Economic Commission for Africa**

Patricia Haslach, **United States Ambassador to Ethiopia**

Lidi Rimmelzwaal, **The Netherlands Ambassador to Ethiopia**

Kazuhiro Suzuki, **Japanese Ambassador to Ethiopia and Japanese Permanent Representative to the African Union**

MANUFACTURING IN FOCUS

The following discussions will focus on the manufacturing sector in Ethiopia. Higher labour costs in Asia have led many to predict a move by international manufacturers to Africa where costs are minimal and land available. With a large population and subsequently a sizeable labour force, Ethiopia has made it quite clear that it wants to be ready for that influx. As part of its GTP, the government has pledged to create a foundation for the industrial sector to take a leading role in the economy over the next few years and has committed to provide infrastructure to four cluster industrial zones.

But despite plenty of positive noise from international investors interested in joining the sector, manufacturing's contribution to GDP has hovered around 4% for years. In the following discussions, global executives as well as local business leaders and policy makers will share their views on why the scale of success within this sector has not reached the levels expected by evaluating two particular industries.

10:15 **Textiles and garments**

Ethiopia grows some of the world's finest cotton and has a rich textile spinning and weaving history which among other factors has contributed to soaring interest from small foreign investors and large international brands alike. In this session, some of these prospective investors will join policy makers and local business leaders to discuss the reasons for their interest in entering the Ethiopian market as well the challenges that they foresee and how they hope to overcome these.

Chaired by: Mary Harper, *Africa Editor*, **BBC World Service**

Confirmed Panellists:

Fassil Tadesse, *President*, **Ethiopia Textile and Garment Association & Chief Executive Officer**, **Kebire Enterprises**

Helen Hai, *Goodwill Ambassador*, **United Nations Industrial Development Organisation (UNIDO)** and *Chief Executive Officer*, **"Made in Africa"**

Reginald Hankey, *Chief Executive Officer*, **Pittards**

Rizanur Meral, *Chairman*, **TUSKON**

11:00 NETWORKING AND REFRESHMENTS

11:30 **Other consumer goods**

With Unilever, the world's second largest consumer products manufacturer, expected to open a facility in Ethiopia during the next year and many other large multinational corporations rumoured to be following suit, the prospects for Ethiopia's manufacturing sector are looking increasingly promising. In this panel, local as well as international business leaders will evaluate these prospects, share their experiences of working in Ethiopia and discuss the benefits and challenges that they foresee when it comes to building a successful manufacturing sector in the country.

Chaired by: Mary Harper, *Africa Editor*, **BBC World Service**

Confirmed Panellists:

Harsh Kothari, *Deputy Managing Director*, **Mohan Group of Companies**

Brooks Washington, *Founder/Chief Executive Officer*, **Juniper Glass Industries** and *Founder/Principal*, **Roha Ventures**

Lars Christian Moller, *Lead Economist and Program Leader*, *Ethiopia*, **World Bank Group**

12:15 **PANEL DISCUSSION: Meeting the new consumer's needs**

One of the goals set out by the government is to achieve middle income status, an achievement the World Bank estimates it could potentially reach by 2025. Couple this growth with the political stability experienced in Ethiopia, increased urbanisation and a better education and we clearly see the reason for the emergence of an aspirational, wealthier, brand and quality conscious consumer.

In this session, international as well as local business leaders and policy makers will discuss the rise and impact of the new consumer. Speakers will evaluate the challenges of serving the needs of these consumers, the opportunities that the rise of the new consumer presents for businesses and the wider economy and how to overcome the hurdles of building a consumer-facing business in Ethiopia.

Chaired by: Mary Harper, *Africa Editor*, **BBC World Service**

Confirmed Panellists:

Ramamurthy Thiagarajan, *Regional Strategy and Operations Director*, **Nakumatt Holdings**

Nazrawi Ghebreselasie, *Chief Strategy Officer and Founding Partner*, **251 Communications**

Francis Agbonlahor, *Managing Director, Meta Abo Brewery Share Company*, **Diageo**
Rana Sengupta, *Managing Director, Central Africa*, **Unilever**

13:00 **CLOSING KEYNOTE ADDRESS**

Chaired by: Pat Thaker, *Regional Director, Middle East and Africa*, **Economist Intelligence Unit**
Dr Carlos Lopes, *Executive Secretary*, **United Nations Economic Commission for Africa**

13:25 **CHAIRS' CLOSING REMARKS**

Xan Smiley, *Editor at large*, **The Economist**

13:30 **NETWORKING LUNCH AND CLOSE OF SUMMIT**